

Message Text

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ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 AGR-20 AF-10 EUR-25 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-15 STR-08 CEA-02 L-03 H-02 PRS-01 PA-03 USIA-12

RSR-01 /197 W

----- 086040

R 021400 Z MAY 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7455

C O N F I D E N T I A L BRASILIA 2523

E. O. 11652: ADS

TAGS: ETRD

SUBJ: SOLUBLE COFFEE-- BRAZILIAN PROPOSAL TO TERMINATE AGREEMENT

REF: STATE 080360

1. IN RESUMPTION OF OUR PRIVATE TALKS CONCERNING SOLUBLE, MINISTER MARCUS VINICIUS INFORMED ME THAT AFTER FURTHER REFLECTION, FOR REASONS WHICH HE HAD PREVIOUSLY GIVEN ME AND WHICH HE REPEATED, GOB WOULD NOT RPT NOT BE PREPARED TO GO BEYOND OFFER AS COMMUNICATED AT OUR LAST MEETING. HE SAID THAT SOLUBLE ACCORD HAD CEASED TO BE OPERATIVE WHEN DECISION MADE IN DEC THAT THERE WOULD BE NO QUOTAS, AND GOB HAD DECIDED AT THAT TIME THAT NOTIFICATION SHOULD BE GIVEN TO U. S. THAT IT NO LONGER CONSIDERED AGREEMENT IN EFFECT. BECAUSE OF DELAYS IN U. S. ACCEPTANCE OF CONSULTATION, HOWEVER, THIS HAD NOT BEEN COMMUNICATED UNTIL MARCH 21. IN VIEW OF THIS DELAY, GOB WOULD BE WILLING TO EXTEND PERIOD OF COMPENSATION FOR FULL QUARTER FROM OCT 15 TO JAN 14, PROVIDED THAT U. S. AND BRAZIL COULD AGREE UPON CANCELLATION OF THE AGREEMENT WITH COMPENSATION ON THIS BASIS.

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2. I RESPONDED AT LENGTH, RESTATING OUR POSITION ON WHOLE MATTER, INCLUDING A) VIOLATIONS OF ARTICLE 44 OF ICA WHICH HAD LED TO OUR CLAIMS PRECEDING SOLUBLE ACCORD; B) FACT THAT SOLUBLE AGREEMENT WAS DESIGNED TO REMEDY DISCRIMINATION AGAINST U. S. 7. DECLARES THAT IT IS THE RIGHT AND DUTY OF EVERY MEMBER STATE TO PARTICIPATE FULLY AND ON A REGULAR BASIS BOTH IN THE INTERNATIONAL AND REGIONAL ACTIVITIES OF THE ORGANIZATION;

8. DECIDES TO ADOPT THE FOLLOWING GUIDELINES IN DETERMINING THE CLASSIFICATION OF MEMBER STATES FOR INVITATIONS AS FULL PARTICIPANTS IN REGIONAL MEETINGS OF AN INTERGOVERNMENTAL CHARACTER;

(A) THEIR INTEREST IN AND ABILITY TO CONTRIBUTE TO THE ACTIVITIES OF THE REGION AND THEREBY TO FACILITATE THE TASKS OF THE ORGANIZATION;

(B) THEIR GEOGRAPHICAL LOCATION; OR

(C) THEIR HISTORICAL, OR CULTURAL, OR SOCIAL TRADITIONS;

9. INVITES THE MEMBER STATES CONCERNED TO MAKE THEIR VIEWS KNOWN TO THE BOARD TO ENABLE IT TO TAKE A DECISION ON THEIR CLASSIFICATION AT THE 93 RD SESSION AND TO REPORT THEREON TO THE GENERAL CONFERENCE AT THE EIGHTEENTH SESSION. UNQUOTE.

2. AFTER CONSULTATION WITH AUSTRALIA, NEW ZEALAND, CANADA, FRG AND OTHER WE REPS, US SPOKESMAN AT END HIS INTERVENTION WITHDREW US- FRG RESOLUTION (DR 5) AND AMENDED DR 6 AS FOLLOWS:

(A) PARA NINE CHANGED TO READ: QUOTE: DECIDES, THEREFORE, IN ACCORDANCE 14 C/ RESOLUTION 23 TO INVITE CANADA AND THE UNITED STATES OF AMERICA TO PARTICIPATE FULLY IN EUROPEAN MEETINGS IN CATEGORY II AND AUSTRALIA AND NEW ZEALAND TO ASIAN MEETINGS. UNQUOTE.

(B) NEW PARA TEN ADDED: QUOTE: INVITES THE OTHER UNCLASSIFIED

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MEMBER STATES CONCERNED TO MAKE THEIR VIEWS KNOWN TO THE BOARD TO ENABLE IT TO TAKE A DECISION ON THEIR CLASSIFICATION AT THE NINETY- THIRD SESSION AND TO REPORT THEREON TO THE GENERAL CONFERENCE AT THE EIGHTEENTH SESSION. UNQUOTE.

3. AFTER CONVERSATIONS REFERRED TO IN PARA THREE, IT WAS QUITE CLEAR THAT DR 5 WOULD CONFUSE RATHER THAN HELP OVERALL SITUATION. USDEL THEREFORE CONSIDERED IT TACTICALLY PREFERABLE TO WITHDRAW DR 5 -- WHICH FRG URGED -- AND AMEND DR 6.

4. ALTHOUGH DEBATE ADJOURNED FOR TIME BEING, FRANCE AND DAHOMEY HAVE OPPOSED AMENDMENTS WHILE SUPPORT INDICATED BY CANADA, JAPAN, ITALY, FRG. SUPPORT

ALSO INDICATED PRIVATELY BY MEXICO, AUSTRIA, UK, FINLAND, SPAIN, CHILE, URUGUAY. USSR IN STATEMENT TOOK NO OPEN POSITION ON AMENDMENTS, BUT ARGUED THEY BEYOND COMPETENCE OF EXBD AND URGED ENTIRE MATTER BE POSTPONED TO 93 RD EXBD. HE DID ADD THAT HE DID NOT WANT TO LEAVE ANY COUNTRY OUT OF PROGRAM EXECUTION ACTIVITIES BUT SAID THIS QUESTION NOT ON AGENDA.

5. PX COMMISSION CHAIRMAN (NETH), JAMAICAN, AFRICANS AND COLOMBIAN IN PARTICULAR HESITATE TO PUSH THIS BOARD TO VOTE ON OUR AMENDMENTS, STATING THAT QUESTION CLEARLY DIVISIVE, THAT AMENDMENTS IF ADOPTED WOULD PASS BY VERY NARROW MARGIN AND SOME DOUBT ABOUT THEIR BEING ADOPTED, AND WE WOULD BE CREATING GOOD DEAL RESENTMENT AND ILL- WILL. CANADA, AUSTRALIA, NEW ZEALAND AND USDEL SHARE THIS GENERAL ASSESSMENT.

6. WE UNDERSTAND THAT THERE IS GROWING CONSENSUS EVEN AMONG OUR SUPPORTERS THAT MATTER NOT BE PUSHED TO POSSIBLE DEFEAT OR VICTORY GIVEN FEELING OF MANY THAT THIS EXBD HAD NOT BEEN EXPECTED ADD COUNTRIES TO REGIONAL GROUPS. VERY LIKELY, THEREFORE, THAT NEW PARA TEN WILL BE ADDED TO DR 6 TO READ ROUGHLY AS FOLLOWS, QUOTE: TAKES NOTE OF AND REFERS TO THE 93 RD EXBD THE STRONG DESIRE OF CANADA AND THE UNITED STATES TO PARTICIPATE FULLY IN EUROPEAN REGIONAL ACTIVITIES AND THAT OF AUSTRALIA AND NEW ZEALAND TO PARTICIPATE FULLY IN ASIAN REGIONAL

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ACTIVITIES. UNQUOTE.

7. THIS PROBABLY WILL DEVELOP RAPIDLY EVENING MAY 2. IN LAST ANALYSIS, PROVIDED OTHER THREE COUNTRIES AGREE, AND PROVIDED PRESENT SUPPORT IS NOT ERODED, WE INTEND PRESS FOR VOTE ON OUR AMENDMENTS AND IF THAT IS DEFEATED VOTE FOR AMENDMENT MENTIONED PARA SIX ABOVE.

IRWIN

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